

Message Text

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TO AMEMBASSY QUITO PRIORITY

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E.O 11652: N/A

TAGS: 0ENC,EC

SUBJECT: MAJOR PROJE: PETROCHEMICAL CONSULTANCY

--- CONTRACT OPPORTUNITY

1. HRI ENGINEERING (SUBSIDIARY OF DYNALECTRON)

CONTACTED COMMERCE MEPD TO REQUEST USG ASSISTANCE
IN OBTAIN NG CONSULTANCY CONTRACT WITH CEPE. COMPANY
RECEIVED INVITATION TO BID ISSUED MARCH 18 FOR CONTRACT
TO PERFORM TECHNICAL AND ECONOMIC FEASIBILITY STUDY OF
PETROC;EMICAL COMPLEX TO OE LOCATED IN PICHINCHA
PROVINCE. SCOPE OF WORK INCLUDES MARKET STUDIES FOR
ANDEAN PACT - ASSIGNED PETROCHEMICALS, RECOMMENDATIONS
ON FACILITIES THAT SHOULD BE BUILT, AND ASSESSMENT OF
AVAILABLE PROCESS TECHNOLOGY. INQUIRY ISSUED BY
LUIS PINEIRO RIVERO, GERENTE GENERAL, CEPE. BIDS ARE
DUE MAY 6.

2. COMPANY ALSO INTERESTED IN DESIGN/ENGINEERING FOR
150,000 BBL/D CEPE PETROLEUM REFINERY (UNCLEAR WHETHER
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THIS IS TO BE PART OF SAME COMPLEX).

3. HRI HAS HEARD THAT JAPANESE ARE MAKING MAJOR SALES EFFORT ON CEPE PROJECTS. APPARENTLY, JAPANESE

HAVE ALREADY AD CONVERSATIONS WITH CEPE REGARDING INCREASING PLANNED CAPACITY FOR REFINERY AND HAVE MADE FINANCING OFFER. ON PETROCHEMICALS, HRI'S SOURCES IN ECUADOR ARE CONCERNED THAT JAPANESE MAY OFFER TO PERFORM FEASIBILITY STUDY AT NO COST IN ORDER TO LOCK UP FOLLOW-ON WORK, WHICH IS NOT UNUSUAL PLOY ON PROJECTS OF THIS SIZE. U.S. FIRMS AND USG, OF COURSE, HAVE NO RESOURCES TO MATCH THIS TYPE OF OFFER. (WE HAVE, HOWEVER, SUGGESTED THAT COMPANY EXPLORE EXIM FEASIBILITY STUDY FINANCING PROGRAM.)

4. WOULD APPRECIATE ANY FURTHER INFO EMBASSY CAN DEVELOP ON ABOVE PROJECTS AND PARTICULARLY ON JAPANESE SALES ACTIVITIES. WE WOULD ALSO BE INTERESTED IN KNOWING WHICH OTHER U.S. AND FOREIGN FIRMS HAVE BEEN INVITED TO BID ON FEASIBILITY STUDY CONTRACT AND OTHER CONSULTANT WORK FOR CEPE. BELIEVE THAT CHOICE OF CONSULTANT WILL BE KEY TO PROCUREMENT OF DESIGN/ CONSTRUCTION SERVICES AND ULTIMATELY TO EQUIPMENT PROCUREMENT. EMBASSY SUGGESTIONS ON U.S. COMPANY STRATEGY IN PURSUING CONTRACT WOULD BE WELCOME.

5. HRI PRESIDENT, B. L. DENKER, PLANS TO PERSONALLY DELIVER BID PACKAGE TO CEPE. WE AVE SUGGESTED THAT EMBASSY PARTICIPATION AT THAT TIME MAY BE USEFUL TO REPRESENT USG INTEREST IN PROJECT, DEPENDING ON EXTENT OF INVOLVMENT OF OTHER U.S. FIRMS. WILL ADVISE LATER OF MR. DENKER'S ITINERARY.
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